

From: Dave Johnston
To: Microsoft ATR
Date: 12/7/01 6:57pm
Subject: Microsoft Settlement

David A. Johnston
989 North Pine Street
Ukiah, CA 95482

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Renata B. Hesse
Antitrust Division
US Department of Justice
601 D Street NW
Suite 1200
Washington, DC 20530-0001

Dear Renata:

I am writing to inform you of my opinion regarding the proposed Final Judgement in the Microsoft Antitrust case. My background is in the Information Technology Industry and in education. In my current position, I am involved in a statewide project providing assistance to schools as they implement technology in the classroom. I have a clear understanding of the needs of rural, small and low-performing schools being from an area of California where the three are very common.

It would appear from my reading of the proposed final judgement that Microsoft is not being fairly discouraged from future anticompetitive business practices. The end result is more of a slap on the wrist, rather than an action to promote serious reflection on the part of corporate management and a change in their business practices.

Specifically, the portion of the judgement that allows them to get rid of obsolete Pentium II computers to low-performing schools who are already lacking in modern technology will do little to close the digital divide. Given that Microsoft is planning on "giving away" about \$843,000,000 of the \$ 1,000,000,000 fine in their own software is particularly incredible.

It does two things. First, it reduces their actual cost to something much lower than the \$843,000,000. The list price that they are using to develop the estimate is much higher than even the price they currently sell to schools. For example, our education price for Microsoft Office 98 was in the \$35/copy range, rather than the \$299 or higher retail price. By

allowing them to give away their own product, you are greatly reducing their costs.

Second, you are only perpetuating their monopoly by putting more Microsoft product in place. Regardless of whether the schools receive the initial product for their surplus computers for free, at some point they'll want to upgrade or add additional features, etc., which is going to encourage them to purchase more Microsoft products.

I strongly urge you to reconsider this judgement and the minimal impact it will have on Microsoft or the digital divide. I strongly support the offer from RedHat software for Microsoft to purchase new computers for these schools and RedHat Software will provide the operating system and applications software for free for the life of the computers. Or, as Steve Jobs has suggested, force Microsoft to give cash to a foundation, who can then determine the best way to distribute the funds.

I appreciate the opportunity to make my views know.

Sincerely,

David A. Johnston

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Dave Johnston, WD6AOE
dave@sonic.net

Network/Telecom Consultant
Ukiah, CA